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STATE OF MICHIGAN



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DEPARTMENT OF TRANSPORTATION

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JAMES R. DeSANA, DIRECTOR

April 12, 2000

House Appropriations Subcommittee on Transportation -  
Senate Appropriations Subcommittee on Transportation  
House Fiscal Agency  
Senate Fiscal Agency  
The State Capitol  
Lansing, Michigan 48933

Dear Respective Members:

Section 321 of the appropriation bill for the State Transportation Department for the fiscal year ending September 30, 2000, provided for a report at the end of each 6 months on the structure/status of the Office of Commission Audits, the hours spent on performance audits, and expected completion dates of audits in progress. Therefore, I am updating you on our progress to date.

The Office of Commission Audits has been structured into three divisions - Internal Audit, External Highway Services, and External Transportation Services. An Audit Pool has been established for auditors and auditing specialists. The Audit Pool concept will enable the cross-training and assignment of the auditors/specialists among each of the divisions. This strategy will broaden the knowledge and expertise of each auditor/specialist, provide flexibility to make assignments based on workload, and improve the time frame for completion of audit functions.

The Office is in the Final stages of the hiring process for ten auditors to fill the open entry level positions. The new employees are scheduled to report to work on pay periods beginning April 16, April 30, May 28, and June 11.

The Office of Commission Audits has issued four new performance audits and one internal audit follow up report to date:

Legislative Members  
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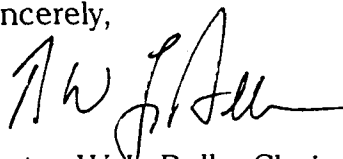
<u>Audit</u>	<u>Report No.</u>	<u>Issued</u>
Financial Operations Division, MAIN FACS Security & Electronic Document Approval Process	OP-00-00 1	December 20, 1999
Office of Information Management, Microcomputer Hardware & Software Security and Inventory Control Processes	OP-00-002	February 24, 2000
Lansing Central Office Purchasing and Payment Process	OP-00-003	February 24, 2000
Superior, Grand, & Southwest Regions Purchasing and Payment Process	OP-00-004	March 23, 2000
Internal Audit Follow Up	OP-00-005	March 23, 2000

One performance audit is in progress, and its status is as follows:

<u>Audit Area</u>	<u>Hours</u>	<u>Estimated Completion</u>
North, University, & Bay Regions Purchasing and Payment Process	572	June 22, 2000

If you have any questions regarding this report, do not hesitate to contact me. I can be reached at 517-373-2110.

Sincerely,



Barton W. LaBelle, Chairman  
State Transportation Commission